

Message Text

PAGE 01 DUBLIN 00390 261551Z

50

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 OMB-01 IO-14 DRC-01 SAJ-01 ACDA-19 FAA-00

DOT-00 AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 AGR-20 SWF-02 FEA-02

/221 W

----- 091138

R 261445Z MAR 74

FM AMEMBASSY DUBLIN

TO SECSTATE WASHDC 5498

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

USMISSION EC BRUSSELS UNN

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

USMISSION OECD PARIS UNN

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION NATO

C O N F I D E N T I A L DUBLIN 0390

E.O. 11652: GDS

TAGS: PGOV, BPRO, PFOR, EI, EC

SUBJ: PERFORMANCE ASSESSMENT OF GOI AFTER ONE YEAR

SUMMARY: AFTER ONE YEAR IN OFFICE, IRELAND'S FINE GAEL/LABOR COALITION GOVT IS ONE OF STRONGEST IN EUROPE, SOMEWHAT TO THE SURPRISE OF PUBLIC AND POLITICIANS ALIKE. IN DEALING WITH GOI ON BILATERAL ISSUES, WE HAVE FOUND IT COMPETENT AND REALISTIC -- IN SOME CONTRAST TO PREVIOUS GOVT. AFTER FRANCE, HOWEVER, IRELAND CONFIDENTIAL

PAGE 02 DUBLIN 00390 261551Z

HAS BEEN THE MOST DIFFICULT OF COUNTRIES ON US/EC RELATIONS, AND IT IS HARD TO ACCOUNT FULLY FOR DUBLIN TENDENTIOUSNESS. MOST OF GOVT'S ENERGY HAS, OF COURSE, GONE INTO SOLUTION OF NI PROBLEM. A GOOD SOLUTION HAS BEEN NEGOTIATED WITH LONDON

AND BELFAST, BUT IT HAS BEEN DIFFICULT TO IMPLEMENT, AND DUBLIN MAY NOT HAVE GONE FAR ENOUGH IN ITS EFFORTS TO HELP. ON THE ECONOMIC FRONT, THE GOVERNMENT HAS BENEFITED FROM A PERIOD OF ECONOMIC EXPANSION, FOR WHICH IT CAN TAKE SOME MODEST DEGREE OF CREDIT.

1. US/EC RELATIONS.

OVER PAST FEW MONTHS, OUR MAIN CONCERN HAS BEEN IRELAND'S POLICY ON US/EC RELATIONS, WHICH ALMOST INVARIABLY COMES OUT SOUNDING LIKE THAT OF THE FRENCH. IN DUBLIN, WE HAVE DONE A GOOD DEAL OF PROBING FOR REASONS, AND WE HAVE FOUND SOME THAT THE IRISH OBVIOUSLY CONSIDER WEIGHTY. FIRST, AS AN AGRICULTURAL COUNTRY, IRELAND'S MAIN REASON FOR ENTERING THE EC WAS TO GET BETTER FARM PRICES THROUGH THE CAP. SECOND, AS THE ONLY MEMBER OF THE EC THAT IS NOT A MEMBER OF NATO, IRELAND SUPPORTS THE FRENCH WISH TO AVOID LINKING SECURITY, POLITICS AND ECONOMICS. BUT WE DO NOT THINK THAT THESE CONSIDERATIONS ALONE ACCOUNT FOR THE ENTHUSIASTICALLY PRO-FRENCH LINE THAT USUALLY PREVAILS HERE. OUR OWN ASSESSMENT OF IRISH NATIONAL INTERESTS WOULD HAVE LED US TO SUPPOSE THAT IRELAND SHOULD HAVE BEEN AS PRO-ATLANTIC AS MOST OTHER EC MEMBERS. CERTAINLY THE GAULLIST MODEL OF EUROPE, IF CARRIED TO ITS CONSEQUENCES, SHOULD HAVE FEW ATTRACTIONS FOR DUBLIN. WE THEREFORE THINK THAT THERE IS ALSO A SIZABLE EMOTIONAL COMPONENT IN THE IRISH POLICY. THE EMOTIONS MAY BE NOTHING MORE COMPLICATED THAN THE TRADITIONAL FRANCOPHILISM, ANGLOPHOBIA, AND RESENTMENT OF THE U.S. WE HAVE LET THE IRISH KNOW THAT WE ARE NOT HAPPY WITH THEIR POSITIONS, AND WE WOULD LIKE THEM TO UNDERSTAND THAT THEY ARE DAMAGING THEIR OWN INTERESTS. WE DO NOT THINK THAT CONSIDERATION FOR THE IRISH SHOULD INHIBIT USE OF THE NATO (RATHER THAN EC) CHANNEL FOR CONSULTATIONS WHENEVER THIS OPTION IS POSSIBLE AND DESIRABLE IN OTHER RESPECTS. AT THE SAME TIME, WE THINK A CHANGE IN IRISH ATTITUDES MAY BE STARTING TO COME, AND WE THINK IT IS WORTH DEVOTING CONSIDERABLE ATTENTION TO FIONA FITZGERALD, WHO IS IMPRESSIVELY BRIGHT AND (WE THINK) OPEN-MINDED. ON BILATERAL PROBLEMS, SUCH AS THE OLD LANDING-RIGHTS DISPUTE, HE HAS BEEN BALANCED AND COMPETENT.

2. NORTHERN IRELAND SOLUTION.

CONFIDENTIAL

PAGE 03 DUBLIN 00390 261551Z

HERE THE COSGRAVE GOVT'S SCORE VARIES ENORMOUSLY WITH THE PERSPECTIVE OF THE OBSERVER. IF ONE FOCUSES ON WHAT THE GOVT HAS ACCOMPLISHED, RATHER THAN WHAT IT HAS FAILED TO ACCOMPLISH, THE RECORD IS IMPRESSIVE. FOR THE FIRST TIME, IRELAND HAS HAD A GOVT WHICH HAS UNANIMOUSLY FAVORED REUNIFICATION ONLY BY CONSENT OF THE NORTHERN PROTESTANTS -- AND WHICH HAS ACTED IN A MANNER CONSISTENT WITH THIS BELIEF. (THE PREVIOUS PRIME MINISTER, LYNCH, ALSO FAVORED UNITY BY CONSENT, BUT HIS MINISTERS OFTEN FAILED TO GIVE HIM FULL SUPPORT, AND HIS PARTY'S REPUBLICAN MYTHOLOGY MADE IT DIFFICULT TO BRING HIS ACTIONS IN LINE WITH HIS CONVICTIONS). THE NEW MINISTERS ARE A VERY TALENTED GROUP, AND THEY APPEAR TO HAVE POOLED THEIR TALENTS EFFECTIVELY ON THE NORTHERN PROBLEM. IT HAS CERTAINLY BEEN THEIR FIRST PRIORITY, AND AN ENORMOUS AMOUNT OF

BASIC WORK HAS BEEN DONE. THEY HAVE MADE SOME CAUTIOUS PROGRESS ON THE DOMESTIC REFORMS NECESSARY FOR FULL CHURCH/STATE SEPARATION. THE GOVT APPEARS WILLING TO LEAD PUBLIC OPINION TOWARD FURTHER REFORMS. FOR FIRST TIME, THE REPUBLIC HAS EXTENDED FORMAL "DE FACTO" RECOGNITION TO THE NORTH, AND THE GOVT (BUT NOT OPPOSITION) APPEARS WILLING TO REFORM THE CONSTITUTION SO AS TO ALLOW "DE JURE" RECOGNITION. MODERATE NI PROTESTANTS GENERALLY ACCEPT THE COSGRAVE GOVT'S GOOD INTENTIONS AND PEACEFUL ORIENTATION, THOUGH THEY QUESTION ITS POLITICAL WILL TO SOLVE REALLY TOUGH ISSUES. IT WAS POSSIBLE FOR BELFAST TO NEGOTIATE THE SUNNINGDALE AGREEMENT, WHICH CONTAINS A PROGRESSIVE AND BALANCED POLITICAL SOLUTION. BUT SELLING THE SUNNINGDALE PACKAGE TO THE PUBLIC HAS, PREDICTABLY, PRESENTED PROBLEMS IN THE REPUBLIC AND VERY SEVERE PROBLEMS IN THE NORTH. WE SEE SOME VALIDITY IN THE ACCOMPANYING NORTHERN CRITICISM OF DUBLIN'S CAUTIOUS POLICIES TOWARD THE IRA. CERTAINLY THE GOVT HAS NO SYMPATHY FOR THE GUNMEN, AND IT HAS TAKEN ROUTINE MEASURES AGAINST THEM. BUT IT HAS NOT YET SOLVED THE PROBLEM OF PUNISHING FUGITIVE KILLERS FROM THE NORTH. THEY ARE NOT EXTRADITED, SINCE THEY ARE CONSIDERED TO HAVE COMMITTED "POLITICAL" OFFENSES. THIS LINE WOULD BE DIFFICULT TO ACCEPT IN MOST WESTERN COUNTRIES, LET ALONE IN DESPERATELY INSECURE BELFAST. IN SHORT, WHILE THE COSGRAVE GOVT HAS ACCOMPLISHED A GOOD DEAL, IT HAS NOT ASSUMED POLITICAL RISKS AS SEVERE AS THOSE IT HAS URGED ON THE NORTH.

3. DOMESTIC POLITICS.

SOME FIFTEEN MONTHS AGO, FEW POLITICIANS BELIEVED THAT THE DISPARATE LABOR AND FINE GAEL PARTIES COULD RECONCILE THEIR
CONFIDENTIAL

PAGE 04 DUBLIN 00390 261551Z

DIFFERENCES SUFFICIENTLY TO FORM A VIABLE ALTERNATIVE TO THE RULING FIANNA FAIL PARTY. TODAY, A FINE GAEL/LABOR COALITION IS ONE OF THE STRONGEST, MOST CONFIDENT, AND PERHAPS MOST POPULAR GOVTS IN EUROPE (WHICH IS NOT SAYING MUCH). IN A RECENT POLL, SOME 54 PERCENT GENERALLY APPROVED OF THE GOVT'S PERFORMANCE AND ONLY TEN PERCENT DISAPPROVED. PEACEFUL NORTHERN POLICIES HAVE PROBABLY HELPED THE GOVT, AS HAVE MODEST, SUSTAINED MOVES TOWARD DOMESTIC REFORM. IN AGE OF ELECTRONIC MEDIA, IT HAS CERTAINLY BEEN USEFUL TO HAVE A HALF-DOZEN MINISTERS WHO SOUND COMPETENT AND ENERGETIC. (BEST MARKS HAVE USUALLY GONE TO FITZGERALD IN FONOFF, CRUISE-O'BRIEN IN POSTS AND TELEGRAPH, BURKE IN EDUCATION, KEATING IN INDUSTRY AND COMMERCE, O'LEARY IN LABOR, AND CORISH IN HEALTH AND SOCIAL WELFARE. WORST MARKS GO TO COONEY IN JUSTICE, DONEGAN IN DEFENSE AND BARRY IN TRANSPORT AND POWER.) IN PAST ADMINISTRATION, LYNCH WAS ONLY POPULAR FIGURE. POPULARITY OF COSGRAVE TEAM, HOWEVER, IS BASED ON FOUNDATIONS THAT COULD PROVE SHAKY. NI SOLUTION, FOR EXAMPLE, IS INEVITABLY PRECARIOUS, THOUGH WE DOUBT THAT SET-BACK WOULD BE BLAMED EXCLUSIVELY ON GOVT. INTERNAL TENSION COULD GROW, SINCE LABOR IS LARGELY LIBERAL AND FINE GAEL HAS BOTH A CONSERVATIVE AND LIBERAL WING. BUT OTHER GOVTS IN MANY COUNTRIES HAVE CONTAINED SUCH TENSIONS. POWER IS A BIG INCENTIVE, AND THE TWO COALITION PARTIES CANNOT HAVE IT SEPARATELY. FOR NOW, WE

SEE NO REASON WHY PM COSGRAVE CANNOT CONTINUE TO LEAD A SUCCESSFUL GOVT AND ENTER NEXT GENERAL ELECTIONS IN STRONG POSITION.

4. ECONOMIC POSITION.

ON THE ECONOMIC FRONT, GOOD PROGRESS HAS BEEN MADE, BUT HOW MUCH OF THIS IS SIMPLY A STRONG UPWARD CYCLICAL SWING, SPURRED ON BY IRISH ENTRY INTO THE EC, AND HOW MUCH CAN BE CREDITED TO THE NEW GOVERNMENT'S POLICIES IS OPEN TO QUESTION. CERTAINLY GOVERNMENT SPOKESMEN HAVE BEEN TAKING CREDIT FOR IT, AND AN EXPANSIONARY BUDGET LAST SPRING PROBABLY DID HELP PUSH GROWTH UP. GOVERNMENT PROPOSALS AND PROMISES FOR TAXATION REFORM DESIGNED TO ACHIEVE A MORE EQUITABLE DISTRIBUTION OF WEALTH CERTAINLY PLAYED A ROLE IN WINNING TRADE UNION ACCEPTANCE OF A THIRD CENTRALIZED NATIONAL WAGE AGREEMENT, BUT EARLIER GOVERNMENT MOVES MIGHT WELL HAVE ACHIEVED A LESS INFLATIONARY SETTLEMENT. THE GOVERNMENT HAS MADE CONTINUED EFFORTS TO CONTROL PRICE RISES, NOW GOING UP AT AN OVER 13 PERCENT RATE, BUT SKYROCKETING COMMODITY (ESPECIALLY OIL) PRICES, HIGHER AGRICULTURAL PRICES (WHICH HELP THE IRISH FARMERS BUT HURT

CONFIDENTIAL

PAGE 05 DUBLIN 00390 261551Z

THE CONSUMERS), HIGH INTEREST RATES (A NECESSITY BECAUSE OF BRITISH RATE INCREASES), AND INFLATIONARY WAGE DEMANDS HAVE NOT HELPED. THE GOVERNMENT, THROUGH THE CENTRAL BANK, MIGHT HAVE DONE MORE TO CONTROL CREDIT EXPANSION. FOREIGN INVESTMENT CONTINUES TO PUR INTO IRELAND, STIMULATED BY GOVERNMENT GRANTS, TAX INCENTIVES, AND EC MEMBERSHIP; AND, ALL IN ALL, THE COALITION'S ACHIEVEMENTS IN THE ECONOMIC FIELD HAVE BEEN NO LESS AND IN FACT PROBABLY SOMEWHAT GREATER THAN ITS PREDECESSOR'S.

5. GENERAL COMMENT: FROM STANDPOINT OF US INTERESTS, CURRENT GOVT SEEMS AN IMPROVEMENT ON ITS PRECESSOR, IF ONLY BECAUSE IT HAS MORE MINISTERS WHO ARE COMPETENT TO FACE PROBLEMS. MAJOR ISSUE IS US/EC RELATIONS, WHERE WE FACE UPHILL FIGHT. A FIANNA FAIL GOVT WOULD PROBABLY BE EVEN MORE DIFFICULT TO DEAL WITH ON THIS PROBLEM, HOWEVER, SINCE FIANNA FAIL IS ACTUALLY A MEMBER OF GAULLIST BLOC IN EUROPEAN PARLIAMENT. SORENSON

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 27 JUL 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COALITION GOVERNMENT, FOREIGN RELATIONS, POLITICAL PARTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 26 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974DUBLIN00390
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: D740065-0316
From: DUBLIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740382/abbrzarw.tel
Line Count: 205
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ACTION EU
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 01 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 APR 2002 by collinp0>; APPROVED <05 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PERFORMANCE ASSESSMENT OF GOI AFTER ONE YEAR
TAGS: PGOV, BPRO, PFOR, EI, EEC
To: STATE INFO BONN
BRUSSELS
EC BRUSSELS UNN
COPENHAGEN
LONDON
LUXEMBOURG
PARIS

OECD PARIS UNN
ROME
THE HAGUE
NATO

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005